

Town of Frederick Board of Trustees



Eric Doering, Mayor

Tony Carey, Mayor Pro Tem
Amy Schiers, Trustee
Jim Wollack, Trustee

Rafer Burnham, Trustee
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AM 2010-073

TO APPROVE A RESOLUTION TO AMEND CONTRACT 88-LAO-450 WITH THE UNITED STATES DEPT OF ENERGY WESTERN AREA POWER AUTHORITY FOR POWER TRANSMISSION SERVICE

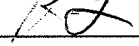
Agenda Date: Town Board Meeting – August 10, 2010


Attachments:

- a. Amendment No. 3 to Contract No. 88-LAO-450 with the United States Department of Energy Western Area Power Administration
- b. Resolution No. 10-R- _____

Fiscal Note: NA - Insignificant change to current electric power supply contract.


Administrative Services Director

Submitted by: Richard Leffler, P.E. 
Town Engineer

Approved for Presentation: 
Town Administrator

AV Use Anticipated Projector _____ Laptop _____

Certification of Board Approval:

Town Clerk

Date

Summary Statement:

This amendment would extend the term of an electric power supply contract with the U. S. Dept of Energy Western Area Power Administration (WAPA) through September 30, 2024 and make other minor changes to the contract.

Detail of Issue/Request:

The Town of Frederick entered into Contract No. 88-LAO-450 with WAPA, dated January 30, 1989, to have WAPA furnish transmission service for delivery of electric power to the Town. The power is delivered to Frederick through the grid of electric transmission facilities in this region owned and operated by other utilities and coordinated by WAPA. The amount of electric power that WAPA furnishes to the Town through connections to Tri-State and United Power is a small percentage (less than 2% in 2009) of the total power used by Frederick customers but the rate is low compared to other power sources. There is a limited amount of power available to Frederick and other WAPA customers and increasing pressure to provide access to this power supply from new users. The Annual Transmission Capacity of 194 kilowatts (kW) included at the bottom of page 1 or 2 of Exhibit A to Amendment No. 3 is a slight reduction to the 195 kW included in previous amendments. This is the third amendment to the contract and covers substantially the same issues that were addressed in Amendment No. 2 that was signed by Mayor Doering on September 24, 2004, and that extended the term of the contract to September 30, 2010.

Legal/Political Considerations:

NA

Alternatives/Options:

Not approve the attached amendment and stop purchasing electric power from WAPA. This would result in purchasing more power from Tri-State at a rate higher than WAPA's rate.

Financial Considerations:

See Fiscal Note above

Staff Recommendation:

Staff recommends that the Board approve the attached Resolution No. 10-R- _____ that authorizes the Mayor and the Town Clerk to execute the Third Amendment to Power Transmission Contract 88-LAO-450 with WAPA.